

**§ 105-129.55. (See note for repeal) Credit for North Carolina research and development.**

(a) **Qualified North Carolina Research Expenses.** – A taxpayer that has qualified North Carolina research expenses for the taxable year is allowed a credit equal to a percentage of the expenses, determined as provided in this section. Only one credit is allowed under this section with respect to the same expenses. If more than one subdivision of this section applies to the same expenses, then the credit is equal to the higher percentage, not both percentages combined. If part of the taxpayer's qualified North Carolina research expenses qualifies under more than one subdivision of this section, the applicable percentages apply separately to each part of the expenses.

- (1) **Small business.** – If the taxpayer was a small business as of the last day of the taxable year, the applicable percentage is three and one-quarter percent (3.25%).
- (2) **Low-tier research.** – For expenses with respect to research performed in a development tier one area, the applicable percentage is three and one-quarter percent (3.25%).
- (2a) **University research.** – For North Carolina university research expenses, the applicable percentage is twenty percent (20%).
- (2b) **Eco-Industrial Park.** – For expenses with respect to research performed in an Eco-Industrial Park certified under G.S. 143B-437.08, the applicable percentage is thirty-five percent (35%).
- (3) **Other research.** – For expenses not covered under another subdivision of this section, the percentages provided in the table below apply to the taxpayer's qualified North Carolina research expenses during the taxable year at the following levels:

<b>Expenses Over</b>	<b>Up To</b>	<b>Rate</b>
-0-	\$50 million	1.25%
\$50 million	\$200 million	2.25%
\$200 million	–	3.25%

(b) Repealed by Session Laws 2010-147, s. 5.5, effective January 1, 2011. (2004-124, s. 32D.2; 2006-252, s. 2.1; 2007-323, s. 31.8(a); 2010-147, s. 5.5.)